

More Information about the 2015 Assessment Roll

The 2015 Assessment Roll for Los Angeles County reflects a 6.13% increase in value, resulting in the fifth consecutive year of growth. The gross assessed value reached \$1.32 trillion, and the net taxable assessed value, after exemptions (charitable, homeowners, disabled, etc.), is a record \$1.264 trillion, which is \$73.1 billion greater than last year.

The Assessment Roll is the foundation of the County's property tax system. Local property taxes are generated based upon the Assessment Roll and are used to fund critical local government services, including education, public safety, healthcare, and infrastructure improvements.

The 2015 Assessment Roll consists of 2,362,297 taxable real property parcels, 318,008 business property assessments, 46,449 boats, and 3,136 aircraft.

Transfers of real estate (e.g., sales) were the largest contributor to the Assessment Roll increase at 3.09%. Additional contributors to the growth of the Roll include decline-in-value restorations (0.75%) and new construction (.39%). The annual inflation-adjusted trend (also known as the Consumer Price Index) added an additional 1.66% to the Roll.

A strong indicator of market value is the Los Angeles apartment market. Vacancies in the apartment sector have declined to 3.1%, and rents increased 6.4% in 2014. In the City of Los Angeles, the average rent for a two-bedroom apartment is \$2,591 per month. Residential property values have also dramatically increased. The median price of single family homes in Los Angeles County increased 7.9% to \$480,000 last year, but the average price was substantially higher, reaching \$780,000.

Market demand is driven by job growth and the County of Los Angeles has benefitted from significant job creation since the end of the economic recession. According to the California Employment Development Department, in 2014, Los Angeles County added 96,500 jobs while California added 471,000 jobs; Los Angeles County accounted for over 20% of the total job growth in California in 2014.

Over the last three years, the Assessment Roll grew in excess of \$185.2 billion compared to the period of the Great Recession (2009-2012), when the total assessed value increased by only \$10.4 billion. From 2007 through 2010, the economic recession and the corresponding real estate market decline resulted in consecutive annual Assessment Rolls decreases. However, the 2011-2014 Assessment Rolls reflected increases of 1.49%, 2.24%, 4.66%, and 5.47% respectively. With 6.13% growth, the 2015 Assessment Roll continues this upward trend and market recovery.

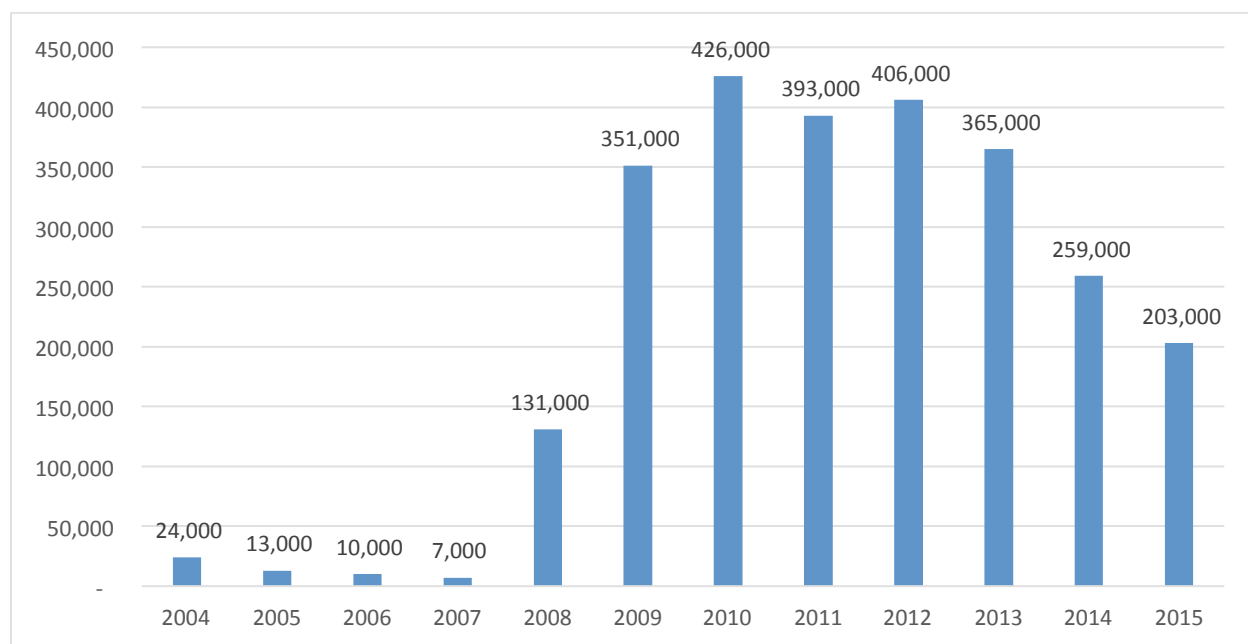
The majority of residential properties in Los Angeles County, approximately 1,691,000 properties, will see an increased assessed value of only 1.998%, the California Consumer Price Index (CPI), to account for inflation. This is consistent with *Proposition 13* requirements, which limit increases to a property's base value to 2% a year – or less if the California CPI is less than 2%. During the last six years the CPI has been set below 2% and was negative in 2010. Exceptions to the CPI adjustment are properties

that have experienced a change in ownership, new construction, and properties that previously received a temporary decline-in-value.

Under *Proposition 8*, adopted by California voters in 1978, the Assessor is required to reduce the assessed value of a property to reflect a lower market value when the market value of a property declines below the previously established base year value. Conversely, the Assessor is required to “restore” the trended base year value as market conditions improve.

In 2014, nearly 259,000 properties were assessed below their trended base year values. This year, approximately 56,000 properties saw their value restored. 9.35% of homeowners continue to be assessed below their Proposition 13 level; most of these properties are located in the High Desert, such as Lancaster and Palmdale.

Despite the economic recovery, approximately 203,000 properties remain assessed below their trended base year value. However, 2015 is the fourth consecutive year in which the number of properties assessed below their base year value has declined. The recovery and increased assessment values is positive news for homeowners and other property owners who are finally seeing the market value of their properties increase in value by recapturing the equity lost during the recession.



In order to create the 2015 Assessment Roll, the hardworking and dedicated staff of the Assessor’s Office processed 353,000 deeds, assessed over 135,000 transfers, enrolled over 57,000 new construction events, reviewed approximately 241,000 decline-in-value parcels, and prepared over 40,000 Assessment Appeals Board cases. In the last year, Assessor business personal property staff canvassed over 285,000 businesses and processed over 141,000 property statements.

Property owners who disagree with their new assessed value may file an assessment appeal application before the November 30, 2015 deadline. Applications may be filed online at <https://assessor.co.la.ca.us/extranet/OnlineFiling/divhome.aspx>.